

and experienced men in London and elsewhere. One of the shrewdest and most successful men in the City of London, however, refused it; and as I placed great dependence upon his practical judgment in commercial affairs, I naturally inquired his reason. He discovered, he said, no objection to the investment or its prospects, but he wisely added—and I have always remembered the advice as a salutary rule of life—that if the venture fulfilled his hopes and he obtained the 15 per cent he would in all probability become dissatisfied with his existing securities, which yielded a much inferior return: he would thus be tempted to dispose of them for the purpose of placing the proceeds in other ventures equally promising: he would consequently forfeit the quietness of mind which his present investments enabled him to enjoy, and he felt that, undoubtedly, in the end, this eagerness for exceptional profits would terminate in heavy loss. The same able man—and he had been exceedingly successful— informed me at the close of his commercial career that, taking into account his losses upon investments in various classes of undertakings, and weighing them against his gains, he would have stood in the same financial position had he, throughout his long career, confined himself to British Government Securities, and similar investments, with their lower rate of interest.

10. An adage has strayed beyond the bounds of the Stock Exchange, and is thus expressed: "Take a profit, cut a loss": when the price has advanced beyond that at which a stock was purchased, sell, or the chance may not readily recur; while if it should decline below the purchase price, also sell, lest the descent should become deeper still. This may be a maxim for the speculator whose business is of a "sporting" nature, but if the investor constantly or frequently adopt it, all my labour in impressing upon him sobriety of judgment and the selection of investments which he can quietly and permanently retain, has been expended in vain. I am in no way an advocate of holding when exceptional advantages of sale occur, but the rule of seeking

securities only which he can, and should, retain, is nevertheless, as a rule, the prudent practice of a cautious man. Frequent selling and rebuying are fraught with needless worry (which the profit does not compensate) and tend to